

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7492

BILL NUMBER: HB 1317

NOTE PREPARED: Jan 13, 2013

BILL AMENDED:

SUBJECT: Land banks and tax sale issues.

FIRST AUTHOR: Rep. Clere

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Authorizes a county, consolidated city, or second class city to which the unsafe building law applies to establish a municipal corporation known as a land bank. Provides that the purpose of a land bank is to manage and improve the marketability of distressed real property in the territory of the county or city that established the land bank. Provides that the calculation of the amount required to redeem real property sold at a tax sale includes: (1) 1.5% per month on the purchaser's investment in the property, if the property is not certified to be vacant or abandoned; or (2) 5% per month on the purchaser's investment in the property, if the property is certified to be vacant or abandoned. Provides that when a tax deed is issued to a land bank after a county executive has assigned the county executive's certificate of sale to the land bank, the taxes, special assessments, and costs on the real property are removed from the tax duplicate in the same manner that taxes are removed by certificate of error. Provides that real property to which a county executive has acquired title through the tax sale process may be transferred at no cost to a land bank rather than a redevelopment commission, as is the case under current law. Authorizes a land bank to maintain an action to quiet title to more than one parcel of real property for which the land bank has a claim in a single complaint. Provides that a local governmental entity may not issue a permit, approve a land use, or approve construction concerning a parcel of real property if: (1) delinquent property taxes or special assessments on the parcel remain unpaid; or (2) unsafe building costs or civil penalties for the parcel remain unpaid. Permits an enforcement authority for the unsafe building law to file a praecipe for a sheriff's sale following a foreclosure action if: (1) the creditor does not file a praecipe within 90 days; and (2) the enforcement authority has issued an abatement order with respect to the property. Allows an enforcement authority to petition a court to determine that a property is abandoned before a creditor has filed a foreclosure action. Requires the enforcement authority to serve a copy of its petition on the debtor, creditor, and any other appropriate party. Provides that, if a court finds that the property is abandoned, the creditor shall file a foreclosure action within

90 days. Makes conforming amendments.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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